

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2001)

POSTAL RATE COMMISSION
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Docket No. R2001-1

VAL-PAK DIRECT MARKETING SYSTEMS, INC.
AND VAL-PAK DEALERS' ASSOCIATION, INC.
FIRST INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL SERVICE
WITNESS LINDA A. KINGSLEY (VP/USPS-T39-1-23)
(October 3, 2001)

Pursuant to sections 25 and 26 of the Postal Rate Commission rules of practice, Val-Pak Direct Marketing Systems, Inc. and Val-Pak Dealers' Association, Inc. hereby submit interrogatories and document production requests. If necessary, please redirect any interrogatory and/or request to a more appropriate Postal Service witness.

Respectfully submitted,



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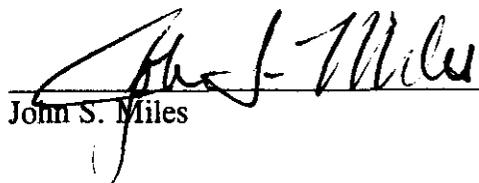
Counsel for:

Val-Pak Direct Marketing Systems, Inc. and

Val-Pak Dealers' Association, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



John S. Miles

October 3, 2001

VP/USPS-T39-1.

Although Detached Address Labels (“DALs”) are not required to be pre-barcoded, it seems conceivable that some mailers nevertheless might barcode their DALs voluntarily.

- a. Is this ever known to occur?
- b. If so, what is the best estimate of the percentage of DALs that are pre-barcoded?
- c. Would having barcodes on DALs facilitate processing? Please explain.

VP/USPS-T39-2.

- a. Are the specifications for DALs such that they could be processed on Delivery Bar Code Sorters (“DBCSs”), Carrier Sequence Bar Code Sorters (“CSBCSs”), or other automation equipment if the Postal Service so desired? That is, do the thickness, height, length, etc. of DALs conform with the specifications for processing on the Postal Service’s automation equipment described in your testimony?
- b. Can the Postal Service apply barcodes to DALs by running them through the various pieces of automation equipment described in your testimony that are equipped with Optical Character Readers (“OCRs”)?
- c. If Standard ECR flats with DALs are entered at a destinating P&DC, or upstream of a destinating P&DC, to what extent is automation equipment likely to be used to sort the DALs into delivery point sequence?
- d. Unless the answers to preceding parts of this interrogatory are to the effect that DALs are never sorted on automation equipment, of those DALs that are sorted

on automation equipment, please provide your best estimate of the percentage of DALs that are pre-barcoded and the percentage of DALs that the Postal Service must first barcode before sorting on automation equipment.

VP/USPS-T39-3.

- a. When Standard ECR flats with DALs are entered at Destination Delivery Units (“DDUs”), are the DALs sometimes returned to the P&DC to be Delivery Point Sequenced (“DPS’d”) on automation equipment?
- b. If so, please describe the circumstances under which this is likely to occur, and indicate whether pre-barcoding of DALs is a significant consideration in whether they are processed on automation equipment?

VP/USPS-T39-4.

- a. To what extent and under what circumstances are DALs sorted with other letter-shaped mail (*i.e.*, whether cased manually or by automation equipment)?
- b. Approximately what percentage of DALs would be sorted with letter-shaped mail?
- c. To what extent and under what circumstances are DALs cased with flat-shaped mail?
- d. Approximately what percentage of DALs would be sorted with flat-shaped mail?
- e. When carriers receive their letter mail DPS’d by the P&DC, and case manually only their flat mail, do they case DALs in their flat cases along with other flat

mail? If not, please describe how DALs are handled under these circumstances. Also explain how letter-shaped mail that must be sorted manually into route sequence is handled.

VP/USPS-T39-5.

Your testimony at page 12, lines 20-27, indicates that manual sortation has a cost consequence that the mailer currently does not directly bear. At page 33, lines 7-9, you indicate that a clerk standing at a case “will sort a letter every two to four seconds, but a good productivity is [only] about 600 pieces per hour, i.e., 6 seconds per piece.”

- a. Are your statements generally correct for all letter mail regardless of the level of presortation, and regardless of the scheme being worked (*i.e.*, primary outgoing, secondary outgoing, etc.)? If not, please elaborate and clarify.
- b. What is the best estimate of the rate at which carriers manually case ECR saturation letters presorted to carrier route sequence or LOT? If a single point estimate is not available (*e.g.*, number of pieces per hour (“PPH”)), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.
- c. What is the best estimate of the rate at which carriers case ECR saturation flats? If a single point estimate is not available (*e.g.*, number of pieces per hour), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.

- d. What is the best estimate of the rate at which carriers manually case DALs? If a single point estimate is not available (*e.g.*, number of pieces per hour), please provide a range. If you do not have PPH data, please provide cost per thousand data comparable to that shown in the table at page 35 of your testimony.

VP/USPS-T39-6.

- a. Do carriers always leave the DDU with DALs sorted with either their letter mail or their flat mail?
- b. Unless your answer to preceding part a is an unqualified affirmative, under what circumstances would carriers take DALs to their route separately (*i.e.*, along with the accompanying mailpieces), without any sortation whatsoever?

VP/USPS-T39-7.

- a. Regardless of whether DALs are sorted with other letter-shaped mail or other flat-shaped mail, explain how carriers locate or identify the presence of a DAL after they arrive at a stop and before they load mail into the addressee's mailbox.
- b. Are carriers supposed to position the DAL next to or with the accompanying mailpiece when they insert the two items into the addressee's mailbox?

VP/USPS-T39-8.

As a hypothetical, assume that on one particular day (*e.g.*, Monday) a DDU receives from various mailers four saturation ECR mailings as follows: (i) letters; (ii) enveloped flats, (iii) catalogs, and (iv) flat-shaped unaddressed pieces with DALs. Assume further that none of these mailings has a requested date for delivery and that the volume of other classes of mail for delivery that day is normal.

- a. What is the probability that one or more of the four saturation mailings will be deferred for a day?
- b. If one or more of the above four saturation ECR mailings should need to be deferred in order to meet service standards, with respect to the decision as to which mailing(s) to defer, is the determination essentially random? *I.e.*, do each of the four mailings have an equal chance of being deferred?
- c. Unless the answer to preceding part b is an unqualified affirmative, please describe the procedure for determining which mailings will be delivered on the first delivery day after being received at the DDU, and which will be deferred.
- d. Provide copies of all Postal Service orders, letters, directives, etc., that (i) supplement or supersede the Domestic Mail Manual (“DMM”), and (ii) pertain to the priority of delivery of all or any portion of Standard Mail when all such mail that is available for delivery on a particular day cannot be delivered on that day.

- e. Which of the above mailing(s) is (are) most likely to be taken directly to the route as a third bundle? Please explain the rationale for the decision as to which mailings are to be taken as a third bundle where permitted.
- f. As between four different saturation ECR mailings of the type described above, is the Postal Service indifferent as to which one is taken directly to the route as a third bundle? Please explain the basis for your answer.

VP/USPS-T39-9.

As a hypothetical, please assume that for five consecutive days a DDU received two mailings of saturation ECR unaddressed flats (consisting of host pieces with untabbed inserts) with DALs each day, Monday through Friday; *i.e.*, a total of 10 saturation DAL mailings are received within five calendar days. Call these saturation DAL mailings $SM_1, SM_2, \dots, SM_{10}$, where SM_1 and SM_2 are the mailings that arrive on Monday, SM_3 and SM_4 are the mailings that arrive on Tuesday, etc. Assume further that (i) all mailings are entered at the DDU between the hours of 8:00 a.m. and 5:00 p.m., (ii) none of the mailings have any special requested day of delivery, and (iii) the total mail for delivery each day that week (including the saturation DAL mailings) is within the range that can be described as "moderate to normal." The two mailings entered on Monday will thus be for delivery the following day, Tuesday, or later (if deferred). Starting with Tuesday, please describe how these 10 DAL mailings likely would be handled, including (i) the likely day of delivery for each (*i.e.*, the day after arrival or deferred for a day), and (ii) whether the flats in each mailing would be cased manually or taken on the route by the carrier as a third bundle. Please feel free to make whatever further

assumptions are necessary to provide a responsive answer to this interrogatory, stating explicitly each such further assumption that you deem necessary and appropriate. If the response differs depending on route type, please so indicate.

VP/USPS-T39-10.

As a hypothetical, please assume that (i) four saturation mailings of Standard ECR unaddressed flats (consisting of host pieces with untabbed inserts) with DALs are entered at a DDU during the day on a Monday, (ii) none of these mailings have any requested day of delivery, and the volume of mail in the DDU for delivery on the next day (Tuesday) is considered "light."

- a. Will one of the DAL mailings be taken on Tuesday as a third bundle and the flat-shaped pieces in the three other DAL mailings be cased manually and also delivered on Tuesday?
- b. Unless the answer to preceding part a is an unqualified affirmative, please describe the most likely procedure for handling these four mailings in terms of (i) day of delivery, and (ii) whether the mailings will be cased manually or taken directly to the route as bundles without being cased. Please feel free to make whatever further assumptions are necessary to provide a responsive answer to this interrogatory, stating explicitly each such further assumption that you deem necessary and appropriate.

VP/USPS-T39-11.

- a. For the purpose of answering this question, please assume that an unaddressed flat with an accompanying DAL consists of a host piece, sometimes referred to as an “outer piece,” or “wrap,” plus several accompanying loose inserts within the host piece. Assume further that in the process of handling the mailpiece (*e.g.*, loading it into a “vertical” mailbox, such as an apartment-house type of mailbox where the carrier opens an entire bank of boxes), some or all of the loose inserts fall out of the host piece. Is the carrier supposed to restore the integrity of the loose pieces and the host piece to their original condition, or can the carrier simply pick up the loose pieces and insert them into the mailbox in any sequence or order?
- b. If any standard procedure is to be followed when the event described in part a occurs with a mailpiece, please provide a full description, or reference to where the description can be found.

VP/USPS-T39-12.

- a. Under what circumstances would carriers case unaddressed flats consisting of a host piece, sometime referred to as an “outer piece,” or “wrap,” plus several accompanying loose inserts within the host piece.
- b. If (or when) carriers were to case unaddressed flats, would they also case the accompanying DAL, or would that be redundant?

VP/USPS-T39-13.

As a hypothetical, please assume that while still in the DDU a carrier drops on the floor a number of flat-shaped Standard ECR pieces that are to accompany DALs; *e.g.*, a bundle breaks accidentally. Specifically, assume that each flat-shaped piece in the bundle consists of a host piece with five inserts inside the host piece. Assume further that as a result of being dropped on the floor, some of the inserts become separated from their host pieces.

- a. When retrieving all the host pieces and inserts that have fallen on the floor, is the carrier supposed to try and reassemble each piece into its original condition? That is, should the carrier try to make certain that each host piece has within it the five inserts that were there prior to spilling onto the floor?
- b. If not, what is the proper procedure under conditions such as those described here?

VP/USPS-T39-14.

Please identify the current limitations on the number and type of saturation mailings that carriers can take on their routes without any casing or sortation; *i.e.*, as “extra” or “third” bundles? If the limitations differ by type of route, please explain.

VP/USPS-T39-15.

- a. With respect to the Automated Flats Sorting Machine 100 (“AFSM 100”) and the Multi-Position Flats Sorting Machine 1000 (“FSM 1000”) described in your testimony, could either of these sort pieces of the type that typically accompany

DALs (*i.e.*, untabbed “wraps”), assuming that those pieces were to have an address printed on them?

- b. With respect to any type of sequencer (discussed at page 20, line 6 of your testimony) which the Postal Service has evaluated, could any models of those machines sort pieces of the type that typically accompany DALs (*i.e.*, untabbed “wraps”), assuming that those pieces were to have an address printed on them?

VP/USPS-T39-16.

- a. Please describe all circumstances under which carriers would case Standard ECR “wraps,” rather than (or in addition to) the accompanying DAL.
- b. To your knowledge, how often does it occur that carriers actually case the “wraps” instead of (or in addition to) the DAL?

VP/USPS-T39-17.

- a. On average, at what rate per hour, or at what average cost per thousand, can carriers case “wraps”? If you provide cost per thousand data, please state whether such data are comparable to the data provided in the table at page 35 of your testimony.
- b. Can carriers case “wraps” at the same rate, or the same average cost, as Standard ECR catalogs of the same weight and with the same maximum dimensions?

- c. Can carriers case “wraps” at the same rate, or the same average cost, as Periodicals of the same weight and with the same maximum dimensions?
- d. Can carriers case “wraps” at the same rate, or the same average cost, as Bound Printed Matter (“BPM”) pieces of the same weight and with the same maximum dimensions?

VP/USPS-T39-18.

Please refer to your testimony at page 12, lines 17-18, and explain more fully why “Automation ECR continues to have value for zones processed manually,” with special attention to the value of the barcode for mail that carriers case manually.

VP/USPS-T39-19.

Your testimony at page 4, footnote 7, explains the difference between throughput and productivity. When a DBCS is used to DPS barcoded ECR letters that are presorted to carrier route:

- a. How many sorts are required?
- b. What is the average productivity for one sortation?
- c. What is the average productivity for the entire DPS operation, including sweeping and any time required to change sort plan, scheme changes, etc. (as described in your testimony at page 31).

VP/USPS-T39-20.

Please refer to your testimony at page 25, lines 20-21, and (i) explain more fully how letter trays are sorted on sack sorting machines (“SSMs”), and (ii) indicate whether SSMs can be used as an alternative to a tray management system.

VP/USPS-T39-21.

Please refer to your testimony at page 25, lines 17-18.

- a. Please explain why the Postal Service has no further plans for additional tray management systems (“TMSs”) at this time.
- b. Please discuss the effectiveness and shortcomings of the TMSs that were fully deployed in 28 plants at the end of FY 2001.
- c. Of the 28 TMSs described in your testimony, how many different models, or systems, or vendors did they include? That is, were they basically the same, or did they represent different approaches to tray management systems?
- d. Does the Postal Service have any estimate of when it will have developed an effective tray management system that it can deploy widely to its P&DCs?
Please state what it is.

VP/USPS-T39-22.

Please refer to your testimony at page 36, lines 17-18.

- a. Does the Postal Service also staff to workload week-to-week? Please explain why or why not.

- b. Please explain the extent to which the Postal Service adjusts mail processing staff for weeks that have predictably lower or higher average mail volume (Christmas excepted).
- c. Does the Postal Service also staff to workload month-to-month? Please explain why or why not.
- d. Please explain the extent to which the Postal Service adjusts mail processing staff for months that have predictably lower mail volume, such as the summer months.

VP/USPS-T39-23.

Please refer to your testimony at page 12, lines 14-17.

- a. On average, what is the daily change in route assignments as between carriers (in terms of the amount of mail that needs to be re-routed to a different carrier)?
- b. On average, what would be the change in route assignments every 90 days (in terms of the amount of mail that needs to be re-routed to a different carrier)?